

ORIGINAL

CABLE FRANCHISE AGREEMENT

Please Note: This is the "old" cable franchise agreement and is no longer valid

Between the City of Bloomington, Indiana

and

Insight Communications of Indiana, LLC

Effective date of this Agreement: DECEMBER 15, 1999

Common Council Ordinance 99-34

Board of Public Works Resolution 99-41

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EXHIBITS: A, B, C

APPENDIX: The Communications Act of 1934, as amended

SECTION I

1.1 DEFINITIONS

For the purposes of this franchise agreement, the following terms, phrases, words, and abbreviations shall have the meaning given herein, when not inconsistent within the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number.

Affiliate: Any Person who is owned or controlled by Grantee, or any Person who is owned or controlled by one or more of Sidney Knafel, Michael Wellner, or Kim Kelly, who are principals in Insight Communications L.P. at the effective date of this franchise agreement. For the purposes of this definition, "own" shall mean possessing legal title to more than 50 percent of the outstanding voting stock of the Person, or more than 50 percent of the voting power of the Person, or possessing legally documentable control of a Person.

Backfeed Line: A dedicated coaxial, fiber or microwave pathway capable of transmitting an audiovisual television signal (at least 6 MHz) from a specific location which is not the Grantee's headend to the Grantee's headend. Also known as a "return line."

Basic Service: The tier of service regularly provided to all subscribers that includes the retransmission of all must-carry broadcast television signals and any public, educational and governmental channels, if such channels are expressly required by the terms of this franchise agreement. Notwithstanding anything to the contrary contained herein, subject to express provisions of federal or state law, in the event that FCC rules relating to "must carry" are modified or eliminated, basic cable service shall be considered the tier of service regularly provided to all subscribers, which includes all over-the-air services licensed to Bloomington, Indiana, and at a minimum, at least one affiliate of each major national television network in Indiana, and at least one independent station, and all PEG channels required by this franchise agreement.

BMC: The Bloomington Municipal Code.

Board of Public Works; Board: The Board of Public Works of the City of Bloomington, Indiana, as established by Title Two of the Bloomington Municipal Code.

Cable Channel or Channel: a portion of the electromagnetic frequency spectrum which is used in a cable system and which is capable of delivering a television channel (as television channel is defined by the Federal Communications Commission by regulation), or a number of audio, digital or other non-video signals or some combination of such signals.

Cable Service: (A) the one-way transmission to subscribers of (i) video programming, or (ii) other programming service(s), and (B) subscriber interaction, if any, which is required for the selection of such video programming or other programming service(s). Cable Service includes the provision of Internet access over the Cable System.

Cable System: A facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service which includes video programming and which is provided to multiple subscribers within a community, but such term does not include (A) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (B) a facility that serves subscribers without using any Public Rights-of-Way; (C) a facility of a common Carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act, except that such facility shall be considered a Cable System if such facility is used in the transmission of video programming directly to Subscribers; (D) an open video system that complies with 47 U.S.C. § 573; or (E) any facilities of any electric utility used solely for operating its electric utility systems.

Change of Control: Change of Control or similar phrases means a transaction that results in a person other than an Affiliate controlling the Franchise or Franchisee.

City: City of Bloomington, Indiana. When the City is required to act under terms of this franchise agreement, unless otherwise provided by specific provision of this agreement, the Board of Public Works or its designee shall act for the City, to the extent permitted by law.

Common Council or Council: Common Council of the City of Bloomington, Indiana.

Control: The legal or practical ability to exert actual working control over the day-to-day affairs of the Grantee, either directly or indirectly, whether by contractual agreement, majority ownership interest, or majority voting power.

FCC: Federal Communications Commission.

Franchise: The right granted by the Franchise Authority to construct, maintain and operate a cable system over, on or under the public rights-of-way, as embodied in this Agreement and local ordinance.

Franchise Authority: The City of Bloomington, or the lawful successor, transferee or assignee thereof.

Grantee: Insight Communications of Indiana, LLC, or the lawful and permitted successor, transferee or assignee thereof. Also referred to as Franchisee.

Gross Revenues: Any and all revenues, including cash, credits, property or other consideration of any kind or nature arising from, attributable to, or in any way derived directly or indirectly by the Franchisee, its Affiliates, or by any other entity that is a cable operator of the System, obtained under grant specified under 2.1(A) from the operation of the Franchisee's Cable System (including the studios and other facilities associated therewith) to provide cable services. Gross Revenues include, by way of illustration and not limitation, monthly fees charged Subscribers for any basic, optional, premium, per-channel, per-program service, or cable programming service, installation, disconnection, reconnection, and change-in-service fees; leased channel fees; fees for telephony and data services; late fees and administrative fees; fees, payments, or other consideration received from programmers for carriage of programming on the System and accounted for as revenue under GAAP; revenues from rentals or sales of Converters or other equipment; any studio rental, production equipment, and personnel fees; advertising revenues; barter; revenues from program guides; revenues from the sale or carriage of other cable-related services; and revenues from home shopping, bank-at-home channels, and other revenue sharing arrangements. Gross Revenues shall include revenues received by an entity other than the Franchisee, an Affiliate, or another entity that operates the System where necessary to prevent evasion or avoidance of the obligation under this Agreement to pay the franchise fee. Gross Revenues shall not include (i) to the extent consistent with generally accepted accounting principles, actual bad debt write-offs not to exceed 2% of annual revenues, provided, however, that all or part of any such actual bad debt that is written off but subsequently collected shall be included in Gross Revenues in the period collected; or (ii) any taxes on services furnished by the Franchisee which are imposed directly on any Subscriber or user by the state or federal government and which are collected by the Franchisee on behalf of the state or federal government. The Franchise Fee collected by the City for use of its right-of-way shall not be considered such a tax.

Interconnection: Use of microwave, satellite, coaxial cable, optical fiber, or other means for the transmission and distribution of signals between two or more cable systems for mutual distribution of programming.

Operator: Any person or group of persons (A) who provides cable service over a cable system and directly or through one or more affiliates owns a significant interest in such cable system, or (B) who otherwise controls or is responsible for, through any arrangement, the management and operation of such a cable system.

Other Programming Services: Information that a cable operator makes available to all subscribers generally.

Person: An individual, partnership, association, joint stock company, trust, corporation, or governmental entity.

Public, Educational, or Governmental Access Facilities (PEG): (A) Channel capacity designated for public, educational, or governmental use; and (B) facilities and equipment for the use of such channel capacity.

Public Way: Means the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, parkway, way, lane, public way, drive, circle or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips or rights-of-way dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the franchise authority in the service area which shall entitle the franchise authority and the Grantee to the use thereof for the purpose of installing, operating, repairing and maintaining the cable system. Public way shall also mean any easement now or hereafter held by the franchise authority within the service area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way and shall within their proper use and meaning entitle the franchise authority and the Grantee to the use thereof for the purposes of installing or transmitting Grantee's cable service or other service over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, compliances, attachments and other property as may be ordinarily necessary and pertinent to the cable system.

Service Area: The present municipal boundaries of the franchising authority, and including any additions thereto by annexation or other legal means.

Service Tier: A category of cable service or other services provided by a cable operator and for which a separate rate is charged by the cable operator.

System rebuild: Upgrade or improvement of the cable system so that it is capable of delivering radio frequency signals, in the forward direction, from 54 MHz to 750 MHz, to the extents of the system, and receiving back at the system headend signals generated from within the extents of the system in the frequency range of 5 MHz to 35 MHz. All nodes within the city limits and the plant associated must meet this criteria.

Telecommunications Council: Telecommunications Council of the City of Bloomington, Indiana, as defined and constituted by Title Two of the Bloomington Municipal Code.

Transfer of Control of the Franchise: Any transaction in which:

- A. an ownership or other interest in the Franchisee is transferred, directly or

indirectly, from one Person or group of Persons to another Person or group of Persons, and that results in a change of control; or

- B. the rights held by the Franchisee under this Franchise Agreement are transferred or assigned to another Person or group of Persons that is not an Affiliate.

Transfer of an Interest: The sale or transfer, directly or indirectly, of an existing or newly created equity interest in the Franchisee.

Video Programming: Programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

SECTION II

2.1 GRANT OF FRANCHISE/FRANCHISE TERM

A. Grant

The City hereby grants to Grantee a franchise which authorizes the Grantee to construct and operate a cable system and offer cable service and other services in, along, among, upon, across, above, over, under, or in any manner connected with Public ways within the service area and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain or retain in, on, over, under, upon, across, or along any Public way and all extensions thereof and additions thereto, such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment may be necessary or appurtenant to the cable system. This grant for use of City streets, sidewalks, and other public easements is nonexclusive and does not establish priority for use over other franchise holders, permit holders and the City's or public's use of public property. The City may grant to other persons or corporations, rights, privileges or authorities similar to or different from those granted herein. The Grantee's use of City streets, sidewalks and other public easements shall be subject to and in accordance with City's policies and procedures governing said use which are administered by City's Director of Public Works and Engineer.

B. Term

The following conditions shall govern the term of this Franchising Agreement:

1. This franchise granted by the City shall be for a term of ten (10) years from the

date set forth in this Franchising Agreement as the effective date, which shall be the date of Grantee's written notice of acceptance, filed in accordance with Section 2.2 herein and noted on the final signature page and title page of this Agreement.

2. The term of this Franchise Agreement shall be reduced from ten (10) years to a term of six (6) years from the effective date noted above if Grantee does not complete a rebuild of the cable system within a two (2) year period beginning on the effective date noted above, said rebuild to consist of upgrade of the cable system to a 750 MHz HFC system.

3. To establish that the rebuild of the cable system has been completed, Grantee shall send to the City Clerk, by certified mail, a statement to the effect that it has completed the rebuild. The Grantee shall submit with its statement any technical data or other supporting evidence or information that supports its statement. The City Clerk shall forward the statement, and any additional materials submitted, to the Telecommunications Council for review. The Telecommunications Council may request any technical data or other supporting evidence or information which will enable it to review the Grantee's statement of completion. The Telecommunications Council shall, by written resolution, either accept or reject Grantee's statement of completion.

4. A. Rejection of the statement of completion must be accompanied by written findings of fact that support the rejection. The Grantee shall have sixty days to cure the defects which led to the rejection and to present additional information that establishes the cure has been effected, or, in the alternative, to present additional information that rebuts the existence of the defects asserted by the Telecommunications Council. If the Telecommunications Council accepts the evidence of cure, or the evidence that rebuts its asserted defects, it shall proceed according to (B) below. If the Telecommunications Council does not accept the evidence of cure, or evidence that rebuts the asserted defects, it shall by resolution advise the Board of Public Works that the cable system rebuild has not been completed.

B. If the Telecommunications Council accepts the statement of completion after its initial submission by Grantee, or after receipt of evidence of cure or rebuttal of asserted defects as outlined in (A) above, it shall by written resolution inform the Board of Public Works that the cable system rebuild has been completed.

5. If, within two years and sixty days after the effective date of this agreement, the Telecommunications Council has not informed the Board of Public Works that the cable system rebuild has been completed, the term of this Agreement shall be six years from the effective date.

2.2 ACCEPTANCE BY GRANTEE

Grantee shall file a written acceptance of the franchise granted pursuant hereto with the City Clerk or other appropriate official or agency of the franchising authority within thirty (30) days after adoption of the ordinance approving the franchise agreement, and execution of the franchise agreement by the Board of Public Works. At the time of Acceptance, in accordance with BMC § 3.02.130(a), Grantee shall pay an award fee by certified check in the amount of twenty thousand dollars (\$20,000), which shall not be considered any part of the franchise fee, payable to the City of Bloomington.

Upon acceptance and execution by the Grantee of this franchise, the Grantee agrees to be bound by and unconditionally promises to abide by and comply with all the provisions, terms, and conditions contained herein. In the event that this franchise agreement is not adopted by the Grantee, this franchise and the rights and privileges hereby granted shall become null and void.

SECTION 3

3.1 TIME IS OF THE ESSENCE

Whenever this franchise shall set forth any time for an act to be performed by or on behalf of the Grantee, such time shall be deemed of the essence.

SECTION 4

4.1 FRANCHISE FEE

The Grantee shall pay quarterly to the City a franchise fee in an amount equal to five percent (5%) of the gross revenues received during the preceding quarter from or in connection with the operation of its cable communications system in the City of Bloomington. The franchise fee shall be paid quarterly to the City on or before the 45th day following the last day of the quarterly period for which said payment is due and shall be delivered to the Controller of the City of Bloomington. Along with the franchise fee payment, the Grantee shall file a franchise fee statement showing, in a form approved by the Controller, calculations of the amount of said quarterly payment and certified by the group controller of the Grantee.

4.2 FINANCIAL RECORDS REQUIRED; AUDIT

The Grantee shall file annually with the Controller no later than three (3) months after the end of the Grantee's fiscal year, an audited statement of revenues, balance sheet,

income statement and a statement of retained earnings attributable to the operation of its cable communications system in the City. The statement shall present a detailed breakdown of gross revenues received and shall be certified by an appropriate officer of the Grantee. The City shall have the right to review or audit the Grantee's franchise fee statements, annual audited statements, and other books, records, and financial data as reasonably pertains to enforcement of this franchise agreement, during regular business hours and upon reasonable notice. Any additional amount due the City as a result of such review or audit shall be paid within thirty (30) days following written notice to the Grantee by the City. Any overpayment due as a result of such review or audit shall be promptly repaid to Grantee.

If the franchise fee is not paid on the date due, or in the event an additional amount is due and owing to the City, simple interest on the amount due equal to the prevailing prime rate, as announced by the Bank of New York, shall be computed from the date such amount was due to the City.

The City may, for good cause, request that the statement be audited by an independent certified public accountant to be selected by the City, and the reasonable cost of the audit shall be borne by the Grantee if such audit shows an additional amount due to the City greater than five percent (5%) of the amount paid.

SECTION 5

5.1 POLICE POWERS

In accepting this franchise, the Grantee acknowledges that its rights hereunder are subject to the police power of the City to adopt and enforce provisions and ordinances necessary to the health, safety and welfare of the public; and Grantee shall comply with all applicable statutes and ordinances enacted by the state and City pursuant to such power. The City shall enact no laws or ordinances that conflict with or supersede state or federal law or materially modify the provisions contained herein.

SECTION 6

6.1 RATE REGULATION

The Grantee expressly reserves the right to exercise any regulatory powers granted to it by law or regulation during the term of this agreement.

Grantee shall give notice to the City and to subscribers of any modifications to rates, or any additional charges, forty-five (45) days prior to the effective date thereof.

SECTION 7

7.1 COSTS BORNE BY GRANTEE

No costs associated with meeting franchise requirements not currently being passed through to subscribers shall be passed along to subscribers during the term of this franchise.

SECTION 8

8.1 NOTICE

Unless expressly otherwise agreed between the parties, every notice or response to be served upon the franchising authority or Grantee shall be in writing, and shall be deemed to have been duly given to the required party five (5) business days after having been hand delivered, or posted in a properly sealed and correctly addressed envelope by certified or registered mail, return receipt requested, at a post office or branch thereof regularly maintained by the US Postal Service. The notices or responses to the franchising authority shall be addressed to the City Clerk, PO Box 100, Bloomington, Indiana, 47402, and a copy shall be sent to the President of the Telecommunications Council and Board of Public Works at the same address. The notices or responses to the Grantee shall be addressed as follows: Insight of Indiana, LLC,

Attn: System Manager
Insight Communications of Indiana, LLC
1151 W 2nd Street
P.O. Box 729
Bloomington, IN 47402

Copy to:

Sr. Vice President of Operations
8440 Woodfield Crossing #320
Indianapolis, IN 46240

The franchising authority and the Grantee may designate such other address or addresses from time to time by giving notice to the other party.

SECTION 9

9.1 ENFORCEMENT AND TERMINATION OF FRANCHISE

In the event that the City believes that the Grantee has not complied with the terms of the franchise, it shall notify Grantee, in writing, of the exact nature of the alleged non-compliance. Grantee shall have thirty (30) days from receipt of the notice to respond to the City, contesting the assertion of noncompliance, or to commence to cure such noncompliance. In the event that such noncompliance cannot reasonably be cured within the thirty day period, Grantee shall initiate reasonable steps to remedy such noncompliance and notify City in writing of the steps being taken and the projected date that they will be completed; provided, however, that no notice or opportunity to cure shall be required in the event of foreclosure, receivership or bankruptcy addressed in Section 21 of this agreement.

In the event that Grantee fails to respond to the notice pursuant to the procedures set forth in this Section 9.1, or in the event that the alleged noncompliance is not remedied or reasonable steps to remedy are not taken within thirty days after the Grantee is notified of the alleged noncompliance pursuant to this section, the City shall notify the Grantee, as required by Section 12 herein, that it is in default of provisions of the franchise, and the Board of Public Works shall schedule a public meeting to investigate the default. The City shall notify the Grantee of the time and place of such meeting and provide the Grantee with an opportunity to be heard.

Within ten (10) days after notice and scheduling of the public meeting by the board, the Grantee shall post with the City a Performance Bond in the amount of fifty thousand dollars (\$50,000), from which any penalties assessed by the board under this Section may be paid. The Performance Bond shall insure the faithful performance by the company of all provisions, terms, and conditions contained herein. Any balance remaining in the Performance Bond following final action of the Board on a particular instance of non-compliance shall be returned to Grantee. Failure to post the Performance Bond as required by this section shall constitute a material breach of this agreement and may be grounds for termination of this franchise agreement.

9.2 RIGHTS AND REMEDIES

Subject to applicable federal and state law, in the event the Board finds, after such meeting as prescribed in 9.1, that Grantee is in default of any provision of the franchise, the Board may:

- a. Foreclose on all or any part of any security provided under this Franchise, including, without limitation, any letters or credit or other surety provided the foreclosure is in such a manner and such amount as the Board reasonably

determines is necessary to remedy the default, and in making such determination, the Board shall assess penalties pursuant to the attached damages schedule (marked Exhibit A) which the City and Grantee agree represents reasonable compensation for losses incurred by the City for scheduled acts or occurrences; and/or

- b. Commence an action at law for monetary damages, including reasonable attorney fees, or seek other equitable relief, and/or
- c. In the case of substantial default of a material provision of the franchise, declare the franchise agreement to be revoked for cause; and/or
- d. Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages.

The Grantee shall not be relieved of any of its obligations to comply promptly with any provision of the franchise by reason of any failure of the City to enforce prompt compliance. The Grantee shall not be held in default or noncompliance with the provisions of the franchise where such noncompliance or alleged defaults are caused by acts of God, or for other events reasonably beyond its ability to control.

SECTION 10

10.1 LIABILITY INSURANCE

The Grantee shall maintain in full force and effect, at its own cost and expense, during the term of the franchise, General Comprehensive Liability Insurance in the amount of \$500,000 for bodily injuries (including accidental death) to any one person, and subject to the same limit for each person in an amount not less than \$500,000 on account of any one occurrence, and Property Damage Liability Insurance in an amount not less than \$500,000 resulting from any one occurrence. Said insurance shall designate the Franchising Authority as an additional insured. Such insurance shall be non-cancelable except upon thirty (30) days prior written notice to the Franchising Authority.

Such insurance policies shall be accepted by the Corporation Counsel of the City if in conformity with the requirements of this franchise and applicable law, and certificates of insurance evidencing their coverage shall be filed with the Controller during the entire term of the franchise agreement. The Grantee shall immediately advise the Corporation Counsel of any litigation that is threatened or arises out of operation or maintenance of the local system during the term of this franchise agreement, and shall provide the City with written notice from the insurance company at least thirty (30) days prior to cancellation of any such policy.

10.2 INDEMNITY

The Grantee agrees to indemnify, defend and save harmless the City, its agents, officers and employees against and from any and all claims by or on behalf of any person, firm, or corporation, arising from the construction, operation, or maintenance of its cable system, including property damage, bodily injury, or accidental death, and from any and all claims arising from any breach or default on the part of the Grantee in the performance of any covenant or agreement to be performed under the terms of this franchise, or arising from any act or negligence of the Grantee or any of its agents, contractors, subcontractors, or employees, including, but not limited to, reasonable attorney's fees and costs.

SECTION 11

11.1 RIGHTS OF INDIVIDUALS/SUBSCRIBER PRIVACY

Grantee shall not deny service, access, or otherwise discriminate against subscribers, channel users or other users or citizens on the basis of race, color, religion, national origin, sex, sexual orientation or age, nor shall access to cable service be denied to any group of potential residential cable subscribers because of the income of the residents of the local area in which such group resides. Grantee shall at all times comply with all other applicable federal, state, and local laws and regulations and with all administrative and executive orders relating to non-discrimination.

Grantee shall comply with all state and federal regulations and laws regarding individual and subscriber privacy. Grantee shall file a written copy of its privacy policy with the City Clerk and keep a copy available to the public at its local office.

11.2 EQUAL EMPLOYMENT OPPORTUNITY REQUIREMENTS

Grantee shall at all times comply with all applicable federal, state, and local laws and regulations and with all administrative and executive orders relating to equal employment opportunity requirements.

SECTION 12

12.1 PUBLIC NOTICE

Minimum public notice of any City public meeting required by this franchise shall be given by the City Clerk in the manner prescribed by Indiana Code.

SECTION 13

STANDARDS, SERVICE AND MAINTENANCE

13.1 CONDITIONS OF STREET OCCUPANCY

All transmission and distribution structures, poles, other lines, and equipment installed or erected by the Grantee pursuant to the terms hereof shall be located so as to cause a minimum of interference with the proper use of public ways and with the rights and reasonable convenience of property owners who own property that adjoins any of said public ways.

13.2 RESTORATION OF PUBLIC WAYS

If during the course of Grantee's construction operation or maintenance of the cable system there occurs a disturbance of any public way by Grantee, it shall, at its expense, promptly replace and restore such public way in compliance with applicable codes.

13.3 RELOCATION AT REQUEST OF FRANCHISING AUTHORITY

Upon receipt of reasonable advance notice, not to be less than two (2) business days, the Grantee shall promptly, and at its own expense, protect, support, temporarily disconnect, relocate in the public way, or remove from the public way, any property of the Grantee when lawfully required by franchising authority by reason of traffic conditions, public safety, street abandonment, freeway and street construction, change or establishment of street grade, installation of sewers, drains, gas or water pipes, or any other type of structures or improvements by the franchising authority.

13.4 RELOCATION AT REQUEST OF THIRD PARTY

The Grantee shall, on the request of any person holding a building moving permit issued by the franchising authority, temporarily raise or lower its wires, within a reasonable period of time, to permit the moving of such building, provided: (a) the expense of such temporary raising or lowering of wires is paid by said person, including, if required by the Grantee, making such payment in advance; and (b) the Grantee is given not less than (2) business days advance notice to arrange for such temporary wire changes.

13.5 TRIMMING OF TREES AND SHRUBBERY

The Grantee shall have the authority to trim trees or other natural growth overhanging any of its cable system in the service area at its own expense so as to prevent branches from coming in contact with the Grantee's wires, cables, or other equipment, subject to the supervision and direction of the franchising authority. Trimming of trees on private

property shall require the written consent of the property owner when such may reasonably be obtained. The Grantee shall reasonably compensate the franchising authority or property owner for any damages caused by such trimming or shall, at its own cost and expense, reasonably replace all trees or shrubs damaged by Grantee.

13.6 USE OF GRANTEE'S EQUIPMENT BY FRANCHISING AUTHORITY OR THIRD PARTY

Subject to any applicable state or federal requisition or tariffs, the franchising authority shall have the right to make additional use, for any public purpose, of any poles or conduits controlled or maintained exclusively by or for the Grantee in a public way; provided that (a) such use by the franchising authority does not interfere with a current or future use by the Grantee; (b) the franchising authority holds the Grantee harmless against and from all claims, demands, costs, or liabilities of every kind and nature whatsoever arising out of such use of said poles or conduits by the City, including, but not limited to, reasonable attorney's fees and costs. Grantee may be required by City to share conduit and/or pole space owned and maintained by the Grantee, upon reasonable terms and conditions, with another person(s) or corporation(s), and the Grantee may require such person or corporation to indemnify Grantee as a condition precedent to granting permission to attach wires to Grantee poles or through Grantee conduit.

13.7 SAFETY REQUIREMENTS

Construction, installation and maintenance of the cable system shall be performed in an orderly and workmanlike manner. All cables, wires and other equipment shall be installed, where possible, parallel with electric and telephone lines. All such work shall be performed in accordance with applicable safety code or technical requirements, including National Electrical Safety Code (National Bureau of Standards); National Electrical Code (National Bureau of Fire Underwriters); and applicable FCC or other federal, state and local regulations. The cable system shall not endanger or interfere with the safety of persons or property in the service area. In particular, Grantee shall comply with all local, state, or federal laws or regulations which govern cable plant signal leakage or interference with communications media. Any antenna structure used in the cable system shall comply with all construction, marking, and lighting of antenna structure requirements of the United States Department of Transportation (Federal Aviation Administration) and the FCC.

13.8 AERIAL AND UNDERGROUND CONSTRUCTION

In those areas of the service area where all of the transmission or distribution facilities of the respective public utilities providing telephone communications and electric services are underground, the Grantee likewise shall construct, operate and maintain all of its

transmission and distribution facilities underground; provided that such facilities are actually capable of receiving Grantee's cable and other equipment without technical degradation of the cable system's signal quality. In the event of underground construction, Grantee will restore property in a timely manner in a condition substantially equivalent to its pre-existing condition and in compliance with all applicable laws. In the service area where the transmission or distribution facilities of the public utilities providing telephone communications and electric services are both aerial and underground, Grantee shall have the sole discretion to construct, operate and maintain underground any ground-mounted appurtenances such as subscriber taps, line extenders, system passive devices (splitters, directional couplers), amplifiers, power supplies, pedestals, or other related equipment.

13.9 REQUIRED EXTENSIONS OF SERVICE

The cable system as presently constructed is hereby approved as to extent of service area, subject to specific improvements to the system as required herein. Grantee is hereby authorized to extend the cable system as necessary, as desirable, or required pursuant to the terms hereof within the service area. Grantee shall provide service to all potential subscribers within the City where the density is thirty (30) or more homes per cable mile for either underground or aerial construction within a reasonable period of time. Service shall be extended at no extension cost to all subscribers in areas meeting the minimum density requirement, other than the usual connection fees for all subscribers. Grantee shall update the map showing such extensions within the City.

13.10 SUBSCRIBERS CHARGES FOR EXTENSIONS OF SERVICE

No subscriber shall be refused service arbitrarily. However, for unusual circumstances or where there is more than one hundred fifty (150) feet of distance from distribution cable to connection of service to subscribers or a density of less than thirty (30) homes per cable mile, in order that existing subscribers shall not be unfairly burdened, service shall be made available on the basis of a reasonable capital contribution in aid of construction including cost of material, labor and easements. For purposes of this Section 13, cable mile is defined as a mile of cable bearing strand, normal construction.

13.11 SERVICE TO PUBLIC BUILDINGS

The Grantee shall provide without charge one (1) outlet of Basic Service to each governmental office building, fire station, police station, and public school building that is passed by its cable system. Installation of additional outlets at those places will be provided at cost of time and materials upon request. Notwithstanding anything to the contrary set forth in this Section 13.11, the Grantee shall not be required to provide an

outlet to such buildings where the drop line from the feeder cable to said buildings or premises exceeds 150 cable feet; provided, however, extensions shall be made in those circumstances if the City or appropriate governmental entity agrees to pay the reasonable cost of such extension beyond 150 cable feet of the feeder cable. In addition, Grantee shall provide and maintain back-feed lines to certain public buildings set out in Section 18 herein.

13.12 EMERGENCY OVERRIDE

In the case of any emergency or disaster, the Grantee shall, upon request of the franchising authority, make available its facilities and provide the equipment necessary to provide both visual and auditory emergency information and instructions during the emergency or disaster period. The emergency audio override capability shall permit the franchising authority to interrupt and cable-cast an audio message on all channels simultaneously in the event of disaster. The emergency video override capability shall enable the interruption and cable-casting of video programming on at least one channel in the event of disaster. The franchising authority shall establish rules and procedures for the operation of the emergency override system including activation points; Grantee shall not be responsible for the City's use of the emergency override system.

13.13 STANDARDS AND SERVICE AREA

Grantee shall provide modern and efficient cable communications service throughout the entire franchise service area pursuant to the provisions of this franchise. Grantee shall construct, install, operate and maintain its cable system in a manner consistent with this franchise agreement, with all laws, ordinances, construction standards, governmental requirements, and FCC technical standards. Grantee shall keep an up-to-date map showing all areas of the City receiving cable service. This map shall be available for public inspection at the local office of the Grantee during regular business hours and Grantee shall provide the City with a current copy of such map upon request. Grantee shall not allow its cable or other operations to interfere with any person's lawful use of the electro-magnetic spectrum as required by FCC rules and regulations.

13.14 INSTALLATION SERVICE

Grantee shall provide installation of subscriber drops consisting of an aerial or underground drop; Grantee shall provide service to prewired projects and shall review and approve methods, supply specifications, technical assistance and material for prewired projects, and shall prewire a project upon request of a customer, assuming reasonable terms and conditions can be reached between customer and Grantee.

Grantee shall perform these services in accordance with the terms, conditions and rates herein. Grantee may require a deposit for materials and services performed or placed in

the subscriber's home.

13.15 DISCONNECTION SERVICE

Grantee shall provide disconnect service for customers wishing to discontinue cable service. Grantee shall not charge for disconnection service. Grantee shall prorate subscriber's final bill from the day after the disconnect order is placed. Grantee shall restore cable service to customers wishing restoration, provided customer shall first satisfy any previous obligation owed including any additional deposit and/or penalty assigned.

13.16 EXTENSION/RELOCATION

When a subscriber requests that an extension or relocation of said subscriber's cable service be made within the subscriber's current primary residence, Grantee shall make such extension or relocation or arrange to do so within 15 days of the request. Grantee shall be excused from this requirement if prohibited by reasons beyond its ability to control, or when otherwise requested by the subscriber.

13.17 SYSTEM INTERRUPTIONS

It shall be the right of the subscriber to continue receiving service insofar as his/her financial obligations to the Grantee are honored. Grantee shall interrupt system service after 6:00 a.m. and before 12:00 midnight only with good cause and for the shortest time possible, and except in emergency situations and for routine repair and maintenance, only after notification to subscribers.

In the event of major interruption of the system for system-wide repair or maintenance or if the Grantee elects to overbuild or modify the system, the Grantee shall act so as to insure that all subscribers receive continuous service except between the hours of 12:00 midnight and 6:00 a.m., and except as may otherwise be approved by the Telecommunications Council, and no major interruption shall occur on Friday, Saturday, or Sunday night, or the night preceding a holiday except in emergency situations or as otherwise expressly approved by the Telecommunications Council. Such approval shall not be unreasonably withheld. Grantee shall maintain a written log of all service interruptions.

Grantee shall be exempt from the above provisions for interruptions of the system due to the system rebuild to a 750 MHz HFC system. When Grantee can reasonably anticipate or schedule system interruptions due to the system rebuild, and that will affect more than 50 subscribers, or that will result in system interruption of more than one (1) hour duration, Grantee shall give notice of such interruption.

SECTION 14

14.1 CUSTOMER SERVICE: SUBSCRIBER COMPLAINTS

The City reserves the right to enforce the Customer Service Obligations contained in 47 C.F.R. 76.309 throughout the term of this Agreement.

Grantee shall maintain throughout the terms of the franchise a local business office staffed at least 8 hours a day for walk-in traffic Monday through Friday (except legal holidays) for the purpose of receiving and resolving all complaints regarding the quality of service, equipment malfunctions, and similar matters. These hours will be posted at the office and maintained on file with the City. The office shall be accessible by a local telephone number. Grantee shall provide the means to accept complaint calls about service outages and emergencies twenty-four hours a day, seven days a week. Upon request by a subscriber, Grantee shall credit a subscriber's account for a total service outage of the subscriber on a percentage of days/months commencing after initial 24 hr period.

Grantee shall maintain throughout the term of this franchise a local Bloomington address for receipt of notices by mail. Grantee shall also maintain within the City a local business office and working local telephone number during normal business hours for the conduct of matters related to this franchise.

All employees, agents and independent contractors of Grantee shall, when acting in the course of business of Grantee, carry documentation that identifies them as acting for Grantee, and shall produce the identification when first contacting customers or other parties when carrying out business of Grantee.

Grantee shall give property owners five (5) days' written notice prior to disturbing city easements on said property owner's land for the purpose of stringing cable, burying cable, repairing existing cable, or performing any actions necessary for installation, maintenance or upgrade of the cable system, when such work is reasonably capable of being planned and scheduled in advance.

Said notice shall not be required when Grantee's disturbance of the easement is required as a result of a request or inquiry made by the property owner. Any property owner may waive the five (5) day written notice requirement. Grantee shall make a good faith effort to accommodate special concerns of the property owner when disturbing the easement and when trimming or moving trees, bushes, shrubs or other vegetation.

Grantee shall bury any cable, when below-ground cable is required, within seven (7) days

of placing it on an easement or receiving notification of utility locates on the easement, which ever occurs later, unless either of the two following conditions exists:

- (1) Weather conditions make burial of cable unfeasible; or
- (2) The owner of the property over which the cable is to be left unburied for more than seven (7) days agrees to allow the cable to remain unburied for a specified period longer than seven (7) days.

When weather conditions make burial of cable unfeasible, said cable shall be buried within seven (7) days of the end of such weather conditions. When Grantee feels it cannot meet the seven (7) day requirement for cable burial, it shall have the right to delay the installation of the cable until such time as it can meet the seven (7) day installation requirement, in the absence of a property owner's agreement to allow the cable to remain unburied for a specified period longer than seven (7) days. For failure to adhere to the foregoing schedule for cable stringing, burial, repair or maintenance, Grantee shall pay liquidated damages of up to \$150 per day, for each working day the violation exists.

When buried, cable shall be placed at a depth of eight inches or greater, unless ground features prohibit, or unless the cable operator and owner of the property agree to a lesser depth.

Grantee shall, to the extent reasonably possible, return the surface of the easement to the condition it was in prior to Grantee's disturbance of the easement.

14.2 WRITTEN INSTRUCTIONS TO SUBSCRIBERS

As subscribers are connected or reconnected to the system, or upon request of subscriber at anytime, Grantee shall, by appropriate means, such as a card or brochure, furnish the subscriber written instructions setting forth the procedure for making inquiries or service complaints, including the name, address, and local telephone number of the agent to whom such inquiries or complaints are to be addressed, and shall furnish information concerning the Bloomington Telecommunications Council office (including address and telephone number), which is responsible for administration of the franchise. In the event any subscriber believes a problem has remained unresolved, the subscriber may address such complaint to: "Customer Relations Coordinator", 1151 West 2nd Street, P.O. Box 729, Bloomington, Indiana 47402.

In addition to other information required, Grantee notice to subscribers shall contain at least the following information: If you have experienced a total service outage which was not corrected within 24 hours after we were notified by you of such outage, you may request credit to your account by calling (local office telephone number).

14.3 MAINTENANCE/SERVICE CALLS

Grantee shall establish and maintain service maintenance capability enabling the prompt location and correction of major system malfunctions. Such maintenance service shall be capable of making repairs for cable or equipment failure, outages and other accidents involving the cable television system. The maintenance service shall be available twenty-four hours a day, seven days a week throughout the year.

Investigative action shall be initiated in response to all service calls, other than major outages, no later than the next business day after the call is received. Corrective action shall be completed as promptly as practical. No charge shall be made to the subscriber for this service; provided, however, that after the first service call a reasonable charge may be made if faulty operation is due to the fault of the subscriber. Total service outages shall be addressed as quickly as possible.

14.4 SERVICE RECORDS REQUIRED

Grantee shall maintain records of all complaints, related service calls, and corrective actions completed. These records shall include the following: number of new subscribers at new address; number of new subscribers moving into a "set-up" address or disconnected address; number of reconnects of previously disconnected subscriber or start service for delay installation; number of data changes (non-monetary); number of separate "bill to" addresses; number of upgrades (adding additional services), deposits, or one-time charges; number of partial disconnections (downgrades); number of disconnections; number of payment adjustments (credit or debit to an account), including nature of adjustment and reason for adjustment; number of trouble calls -- nature of calls and disposition of complaint; list of all subscribers and addresses. These records shall be available for inspection by the Telecommunications Council, subject to federal and state law, and retained in Grantee's files for not less than three years.

SECTION 15

15.1 BUSINESS/OPERATIONS RECORDS AND REPORTS

The Grantee shall keep complete and accurate books of accounts and records of its business and operations under and in connection with this franchise. All such books and records shall be consistent with generally accepted accounting practices and shall be retained in the Grantee's files no less than three (3) years. The Board of Public Works or its designee shall have the authority to reasonably examine, review, audit and obtain copies of papers, books, accounts, documents, plans and other records of the Grantee at reasonable times and for reasonable purposes necessary for enforcement of this franchise agreement. Such information shall be made available during normal business

hours and upon reasonable notice to Grantee. In addition, the Board of Public Works shall have the right to inspect, inventory, and appraise the plant, equipment, and other property of the Grantee within its jurisdiction. Grantee shall fully cooperate in making available its records necessary for enforcement of this franchise, and otherwise assisting in these activities. City shall attempt to preserve the confidentiality of information disclosed to it by the Grantee to the extent possible and permissible by law.

SECTION 16

PERFORMANCE REVIEWS AND EVALUATION SESSIONS

16.1 ANNUAL PROOF OF PERFORMANCE TESTS

Grantee shall make an annual proof of performance test and meet the minimum technical specifications recommended or required by the Federal Communications Commission, or other federal, state, or local law. Regardless of changes in test requirements under federal or state law, Grantee shall ensure, at a minimum, that the system meets the specifications outlined in Federal Communications Commission regulations at 47 C.F.R. 76.605. In addition, regardless of changes in federal or state law, Grantee shall meet the performance requirements of 47 C.F.R. 76.601.

Grantee shall provide the Telecommunications Council with a written report of the results of proof of performance tests conducted pursuant to this franchise agreement and FCC standards and requirements as soon as possible, but in no event later than 30 days after the tests are conducted. Compliance with performance specification shall be determined from measurements and tests applied to the worst case for the respective subscriber, e.g. signal received by the farthest subscriber including distribution system and largest super trunk effect. Within thirty days after receipt of the annual proof of performance tests results, the Telecommunications Council shall issue written findings with respect to system performance and quality of service. If inadequacies are found, the Telecommunications Council may request the Board of Public Works to direct Grantee to correct the inadequacies within a reasonable period of time.

16.2 TESTING FOR COMPLIANCE

In addition to the annual proof of performance tests required by Section 16.1 of this franchise agreement, the Board of Public Works or its designee, for good cause, may perform technical tests of the cable system or require the Grantee to perform technical tests of the system during reasonable times and in a manner which does not unreasonably interfere with the normal business operations of the Grantee or the cable system in order to determine whether or not the Grantee is in compliance with Section 16.1 and applicable state or federal laws. The City may require, for good cause, that the

tests be supervised by a professional engineer approved by the City, not on the permanent staff of the Grantee. Except in emergency circumstances, such tests may be undertaken only after giving Grantee reasonable notice thereof, not to be less than five (5) business days and a representative of Grantee shall be given an opportunity to be present during such tests. In the event that such testing demonstrates that the Grantee has substantially failed to comply with a material requirement hereof, the reasonable costs of such tests shall be borne by the Grantee. In the event that such testing demonstrates that Grantee has substantially complied with such material provisions hereof, the cost of such testing shall be borne by the franchising authority. Except in emergency circumstances, or for good cause, the franchising authority agrees that such testing shall be undertaken no more than once a year and that the results thereof shall be made available to the Grantee upon Grantee's request.

16.3 PERFORMANCE EVALUATION SESSIONS/FUTURE NEEDS ASSESSMENT

To provide for technological, economic, and regulatory changes in the state of the art of cable communications, to facilitate renewal procedures, to promote the maximum degree of flexibility in the cable system, and to achieve a continuing, advanced modern system, the City and Grantee shall comply with the following system and services review provisions set forth in this section.

(1) The franchise authority may require system performance evaluation sessions at any time during the term of the franchise or as required by federal or state law provided, however, there shall not be more than one evaluation session during any calendar year, except for good cause. At a minimum, such evaluation sessions shall be conducted by the franchise authority every three years after the effective date of the franchise.

(2) Each session shall be open to the public with notice of the date, time and locations of all hearings given by the Telecommunications Council at least thirty (30) days prior to the session. Members of the public shall be afforded an opportunity to comment at the sessions. Any materials required by the Telecommunications Council shall be filed in preparation for the session. Copies of all materials filed with the Council in conjunction with this review shall be matters of public record.

(3) Topics which may be discussed at any scheduled or special evaluation session may include, but shall not be limited to, future needs assessment, state of the art, service rate structures, franchise fee, penalties, free or discounted services, application of new technologies, including stereo capability, system performance, services provided, programming offered, customer complaints, privacy, amendments to the franchise agreement, judicial and FCC rulings, line extension policies, Grantee's ascertainment of community needs and use of the system, and Grantee or City rules. Either the City or the Grantee may select additional topics for review.

(4) During a review and evaluation by City, Grantee shall fully cooperate with the City in providing such information and documents. City may need to reasonably perform the review. At the conclusion of any evaluation session, Grantee and City may implement any agreed upon action upon approval by the Board of Public Works and Common Council, and City and Grantee may also pursue all other rights provided for herein or which each otherwise may possess. The Telecommunications Council shall make and retain a record of all performance evaluation sessions and shall forward a written report to the Board of Public Works and Common Council which shall include any recommendations of modification of this agreement.

(5) The log maintained by Grantee regarding subscriber complaints, records of performance tests, and other relevant operation and service information shall be utilized as the basis for review. In addition, any subscriber may submit complaints during the review meetings, either orally or in writing, and these shall be considered.

SECTION 17

STANDBY POWER/PARENTAL CONTROL LOCK/STATUS MONITORING/DEVICES FOR HEARING IMPAIRED SUBSCRIBERS

17.1 STANDBY POWER

Grantee shall provide standby power generating capacity at the cable communications system control center and at all hubs. Grantee shall maintain standby power system supplies throughout the trunk line. Grantee shall provide standby power for critical system elements for up to two (2) hours of continuous operation in the event of commercial power failure.

17.2 PARENTAL CONTROL LOCK

Grantee shall offer all subscribers a parental control locking device or digital code that permits inhibiting the viewing of those channels for which the Grantee has editorial control, and shall provide such devices to all requesting subscribers at a reasonable charge.

17.3 DEVICES FOR HEARING IMPAIRED SUBSCRIBERS

Grantee shall provide all hearing-impaired subscribers a device that permits such subscriber to receive closed-captioned television programming upon request and at a reasonable cost to such subscriber.

SECTION 18

18.1 REQUIRED SERVICES

Grantee shall provide the channel capacity and all necessary equipment for the reception of such initial categories of services as set forth in Exhibit C attached hereto, and as otherwise required by this franchise agreement.

In addition to the requirements for provision of services set out in Section 13 herein, the Grantee shall continue to provide and maintain one back-feed line at no cost to City or user to all places provided with such lines as of September 1, 1999, as shown on the attached Exhibit B. In addition, Grantee agrees to provide backfeed lines to other educational, public, and/or governmental facilities upon request; extension cost and other cost associated with activation of the backfeed line beyond what is then currently activated shall be borne by the public, educational, and/or governmental entity requesting such extension. The Grantee will provide, free of charge, a drop of up to 150 feet to enable any of such requesting institutions to utilize the backfeed capability. In addition, the City shall have the right to require up to five (5) backfeed lines to be provided to additional points in the City, subject to the restrictions spelled out in 13.11 where technically feasible. By way of illustration, and not for purposes of limitation, such additional backfeed lines may be required for cultural, health or social service organizations in the City.

SECTION 19

OPEN ACCESS PROVISION

In approving this franchise agreement, City reserves any rights it may have during the term of this agreement to impose conditions regarding access by third parties to Grantee's cable system for the delivery of Internet access service. Grantee, likewise, does not waive any right it may have with respect to the imposition of such a condition. Prior to the exercise, enactment or enforcement of any such requirement, Grantee shall be provided with reasonable notice, an opportunity to be heard, and an opportunity to present evidence on any findings made or required to be made with respect to such a requirement. If it is found that the City may negotiate access by 3rd parties to the Grantee's cable system for the delivery of Internet access, and the City issues a request to begin negotiations, then the Grantee will commence negotiations with the franchising authority within 60 days of such notice.

SECTION 20

20.1 RENEWAL OF FRANCHISE

The City and Grantee agree that any proceedings undertaken by the franchising authority relating to the renewal or extension of the Grantee's franchise shall be governed by and comply with the provisions of state and federal law in effect at the time of the renewal request.

The City retains the right to establish reasonable substantive and procedural rights, by ordinance, governing any request by the Grantee for renewal or extension of the franchise, to the extent permitted by law.

In conjunction with performance system evaluations, or concurrent with a request for renewal of the franchise under the provisions of this franchise and/or federal law, the Grantee and City shall undertake a study of future cable-related community needs and interests at the request of either party. The Grantee shall assist the City, upon request of the Telecommunications Council, in preparing the study of such future cable-related needs and interests. The City may determine that the study should be conducted by an independent consultant, and the City and Grantee may agree to share costs of the study.

SECTION 21

21.1 SUPERVISION OF THE FRANCHISE

It shall be the right and duty of the Telecommunications Council at all times to keep fully informed as to all matters in connection with or affecting the properties of the Grantee and its accounting methods and procedures in connection therewith, and the conduct of the Grantee's business in the City and of service being rendered by the Grantee, and shall have the duty to assist subscribers, the City and Grantee, in seeing that the terms of this franchise are carried out, Grantee shall keep City, through the Telecommunications Council, fully informed of any pending or effective changes in federal or state law affecting the operation of cable communications systems.

In order to facilitate City review of Grantee's performance of customer service, and general performance of the cable system, Grantee shall submit to the Telecommunications Council, three days prior to each Telecommunications Council meeting, a written report on the activities of the Grantee, including but not limited to, reports on customer complaints and inquiries received and action taken or pending.

Grantee shall have a representative present at each Telecommunications Council

meeting to present the report, answer questions, and further dialogue between the City and Grantee. Grantee shall pay a \$100 penalty to the City Controller if no representative attends, said penalty to be waivable by majority vote of a quorum of the Telecommunications Council for good cause.

SECTION 22

22.1 RECEIVERSHIP

The Common Council shall have the right to declare this franchise null and void one hundred twenty (120) days after the appointment of a receiver or trustee to take over and conduct the business of the Grantee whether in receivership, reorganizations, bankruptcy, or other action or proceeding, unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) days, or unless within 120 days after his election or appointment, such receiver or trustee shall have fully complied with all the provisions of this franchise agreement and remedied all defaults thereunder; and such receiver or trustee, within one hundred twenty (120) days, shall have executed an agreement, duly approved by the Court having jurisdiction, whereby the receiver or trustee assumes and agrees to be bound by each and every provision of this franchise granted to the Grantee.

22.2 BANKRUPTCY

The Common Council shall have the right to declare this agreement null and void immediately should the Grantee liquidate, become insolvent, bankrupt, make a transfer for the benefit of creditors, reorganize and enter into an arrangement for the benefit of creditors, or file a voluntary petition under any section or chapter of the National Bankruptcy Act, amended, or under any similar law or statute of the United States or state thereof; or should any involuntary petition in bankruptcy be filed against the Grantee and not be dismissed within one hundred twenty (120) days after the filing.

SECTION 23

23.1 TRANSFERS

A Transfer of the Franchise, or a Transfer of an Interest in the Franchisee that results in a change in ownership interest of the Franchise of 5 percent or more, must not occur without prior approval by the City, which approval may not be unreasonably withheld. However, a Transfer of an Interest to a person who already holds an ownership interest of 25 percent or more, or which does not result in a Change of Control, does not require such prior approval if Transfer of the Franchise does not occur. Approval shall not be required, however for transfer in trust, by mortgage, by other hypothecation, or by

assignment of any rights, title, or interest of Grantee in the franchise or cable system in order to secure indebtedness.

In cases of transfer requiring approval by the franchising authority, the proposed assignee shall show its qualifications and financial responsibility, as determined by the City, and shall agree in writing to comply with all the provisions, terms and conditions of this franchise.

SECTION 24

24.1 CONDITIONS OF SALE

If a renewal of Grantee's franchise is denied and the franchising authority either acquires ownership of the cable system or by its actions effects a transfer of ownership of the cable system to another party, any such acquisition or transfer shall be at a fair market value, determined on the basis of the cable system valued as a going concern, but with no value allocated to the franchise itself.

If Grantee's franchise is revoked for cause and the franchising authority acquires ownership of the cable system or by its actions effects a transfer of ownership of the cable system to another person, any such acquisition or transfer shall be at an equitable price.

SECTION 25

25.1 PEG ACCESS PROVISIONS AND BANDWIDTH PROVISIONS

The Grantee recognizes the City's interest in stimulating and encouraging local origination access, governmental and educational programming, and the production of programs and cable casting of such programs on the system. In recognition of this fact, Grantee shall comply with the following provisions:

1. Grantee shall continue to provide the City the right to three (3) analogue public access channels. The city may designate use of any or all of those channels to any other party, for non-commercial public, educational or governmental purposes. The parties note that as of the effective date of this Agreement, the City has chosen to utilize only two (2) of its possible three access channels.
2. Once established, PEG channel positioning shall not be changed except after approval of the Board of Public Works.
3. Grantee shall provide one additional analogue access channel to the City, at the

written request of the City, in addition to the channels permitted in #1 above, upon completion of the rebuild of the cable system as established pursuant to 2.1B, supra.

4. Upon completion of the system rebuild, and after providing the City with the right to use one additional analogue access channel as noted in #3 above, Grantee shall provide the City, at the City's request, with an additional analogue access channel at the time the following two conditions are met:

a. A minimum of four hours of programming between 2:00 p.m. and 10:00 p.m. (but not including scrolling community calendar information) is available on the most recently added access channel five days a week for the preceding four weeks, and

b. Other access channels in use, with the express exception of the government channel, are each programmed six hours a day, five days a week for the preceding four weeks. It is expressly agreed by the City and Grantee that the importance of providing citizens with open access to government meetings merits omission of the government channel from any programming requirements for obtaining additional access channels.

Both parties agree that only one repeat per week of a program shall be considered in the calculations for the above requirements. This process can be used to bring access channels provided by the Grantee to a maximum of six analogue channels.

5. During the term of this Agreement, the City shall have the right to use, at a maximum, for PEG-related purposes, the amount of bandwidth that is equivalent to that required for cablecast of six analogue channels.

6. The City may use any portion of its bandwidth to provide, on its own or in conjunction with the Grantee, an institutional network for governmental use.

7. The City and Grantee agree, for purposes of illustration, but not for limitation, that allowable PEG-related use of the City's PEG channels shall include cablecast of locally-produced non-commercial access programming, cablecast of any governmental or public meetings, community calendar information, cablecast of non-commercial international channels or non-commercial channels cablecasting programs in language(s) other than English, non-commercial PEG programming produced by other cable systems, and cablecast of sports, athletic, arts and cultural events that are of local interest, but not provided on any other channel of the system.

25.2 CHANNEL CATEGORIES TO BE CARRIED

During the term of this Agreement, Grantee shall provide on its system channels that provide programming as outlined in the general categories of programming required in Exhibit C, attached.

SECTION 26

PROVISION OF EQUIPMENT FOR CONVEYANCE OF PROGRAMMING BY PEG ENTITIES

Grantee will provide City with equipment (e.g., modulators) required to cablecast programming on PEG channels simultaneously from two remote locations and two fixed locations. Grantee will provide City with fixed modulators or equivalent equipment for City Hall, the County Courthouse and for each activated PEG channel. Grantee will provide City with two portable modulators or equivalent equipment for remote feeds.

SECTION 27

27.1 ACTIONS OF PARTIES

In any action by the franchising authority or Grantee mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

27.2 DESCRIPTIVE HEADINGS

The captions to sections contained herein are intended solely to facilitate the reading thereof. Such captions shall not affect the meaning or interpretation of the text herein.

27.3 SEPARABILITY

If this agreement or any material section thereof is determined by any court of common jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, to be illegal, invalid or unconstitutional such determination shall have no effect on the validity of any other section, sentence, paragraph, term or provision of this agreement, all of which will remain in full force and effect for the term of the franchise or any renewal or renewals hereof. In the event of such a determination of invalidity or preemption, the Grantee and the Board of Public Works, with the approval of the Common Council, shall have the right to modify such section. Provided, however, that nothing contained in Section 28.3 herein, shall be construed to require the Grantee and Board of Public Works and Common Council to agree to modify any section or subsection, nor to be a waiver of any rights of either party relating thereto.

27.4 ACTS OF GOD

The Grantee shall not be held in default or non-compliance with the provisions of the franchise, nor suffer any enforcement or penalty relating thereto, where such non-compliance or alleged defaults are caused by Acts of God, or other events reasonably beyond its ability to control.

Dated and Executed this 21st day of December, 1999, by the Board of Public Works of the City of Bloomington, Indiana:


Dr. Frank Hrisomalos


Randy Lloyd


Beth Hollingsworth

Dated and Executed this 15 day of December, 1999, by Insight Communications of Indiana, LLC:

By:  SVP
(Name and title)

Effective date of this Agreement: DECEMBER 15, 1999

EXHIBIT A

DAMAGES SCHEDULE

For the violation of any of the following provisions of this franchise agreement the following penalties shall be assessed the Grantee pursuant to Section 9.1:

1. For failure to provide data, documents, reports, information, or to cooperate with City during a renewal process or system review, company shall \$100.00 per day for each day, or part thereof, each violation occurs or continues.
2. For failure to test, analyze and report on the performance of the system following a request pursuant to this franchise, company shall pay to City \$100.00 per day for each day, or part thereof, that such non-compliance continues.
3. Forty-five (45) days following determination by the Board of Works and the Common Council determining a failure of company to comply with operational or maintenance standards, company shall pay to City \$150.00 per day for each day, or part thereof, that such non-compliance continues.
4. For failure to provide any services and the staff and equipment necessary to activate them as required in this agreement, company shall pay \$150.00 per day for each day, or part thereof, that such non-compliance continues.
5. For failure to pay the franchise fee on time, company shall pay \$150.00 per day for each day, or part thereof, that the payment is late, up to a maximum of ten (10) business days.

EXHIBIT B

List of Backfeed Locations in City of Bloomington, Indiana as of September 1, 1999

1. The Showers Building – 401 North Morton Street
2. The Monroe County Public Library – 303 East Kirkwood Avenue
3. The Herald-Times – 1900 South Walnut Street
4. Bloomington South High School – 1965 South Walnut Street
5. Waldron Arts Center - 122 S. Walnut
6. Buskirk-Chumley Theatre
7. Monroe County Community School Corporation Administration
8. Bluebird Nightclub - 216 N. Walnut
9. Monroe County Courthouse

EXHIBIT C

LIST OF REQUIRED CHANNEL CATEGORIES

1. Retransmitted local cablecast channels: In the event FCC rules regarding "must-carry" are modified or eliminated, Grantee agrees to carry all over the air services licensed to Bloomington, Indiana, and at a minimum, at least one Indiana affiliate of each major national television network and at least one independent station, and all PEG channels required by this franchise agreement;
2. Upon rebuild of the system, Grantee shall be required to carry those channels licensed to the Terre Haute ADI that are significantly viewed in Monroe County, provided that the channels don't charge Grantee a retransmission fee and/or copyright fee; however, there shall be a cap of three (3) channels required to be carried under this provision.
3. Imported distant signals (e.g. WGN Chicago, WTBS Atlanta)
4. Sports programming (e.g. ESPN)
5. News programming (e.g. CNN)
6. National government coverage (e.g., CSPAN)
7. Public Broadcast Services (e.g. WTIU)
8. Only entertainment networks (e.g. USA Network; Nashville Network)
9. Only music video services (e.g. MTV)
10. Religious program services (e.g. CBN, WHMB)
11. Health/lifestyle services (e.g. Lifetime)
12. Cultural/arts services (e.g. Arts & Entertainment)
13. Children's programming

14. All public/educational/governmental access channels as required by this franchise agreement.
15. Premium services (e.g. HBO, Showtime, Cinemax)
16. Pay-per-view programming (reserved)

Notwithstanding anything to the contrary set forth herein, Grantee shall not reduce the number of program services, substitute program services or retier the program services without prior written notification to the City; the City, through the Telecommunications Council, shall be afforded an opportunity to comment and advise Grantee on substitute programming, reduction of programming, or retiering of services prior to such change. Grantee may add new services at any time; Grantee may combine programming into composite channel to improve efficiency of channel utilization or to attract a larger viewing audience, subject to provisions of federal law and regulation.